HODL

Cryptocurrencies
Buying Your first tokens.

A guide for new long-term investors.

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Disclaimer

This guide is for educational purposes only and does not constitute financial, legal, or tax advice. The cryptocurrency market is volatile and involves a high level of risk.

All investment decisions should be made at your own discretion and responsibility. The author of this guide does not assume any liability for losses or damages resulting from the use of the information presented herein.

Always consult a licensed financial advisor or tax professional before making financial decisions.

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# 1. How to buy cryptocurrencies? METHOD ONE

      The first step to buying is to set up an account on a cryptocurrency exchange. It would be best if it was a trustworthy exchange such as: Binance, KuCoin, LBank, Kraken, Bitstamp, Coinbase, Zonda, etc.

      The purchase of the first funds will be shown using the KuCoin exchange as an example.

1.1 Create a cryptocurrency exchange account

      Download the KuCoin app from the Play Store. Register with your email address, phone number, and country, then set a password. KuCoin requires identity verification (KYC - Know Your Customer) for some operations, such as purchasing with FIAT. This is usually a scan/photo of an ID document. Follow the instructions.

Click on the top left corner, in this case "AD" (depending on the input provided).
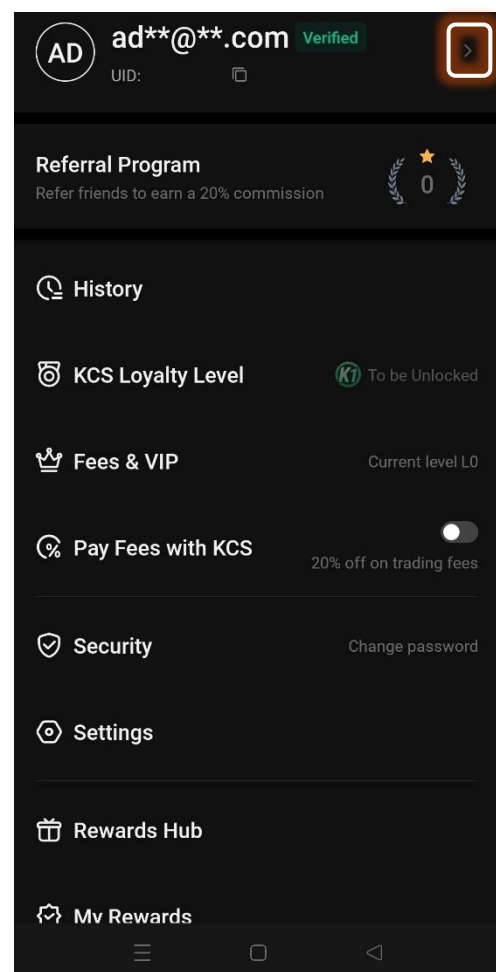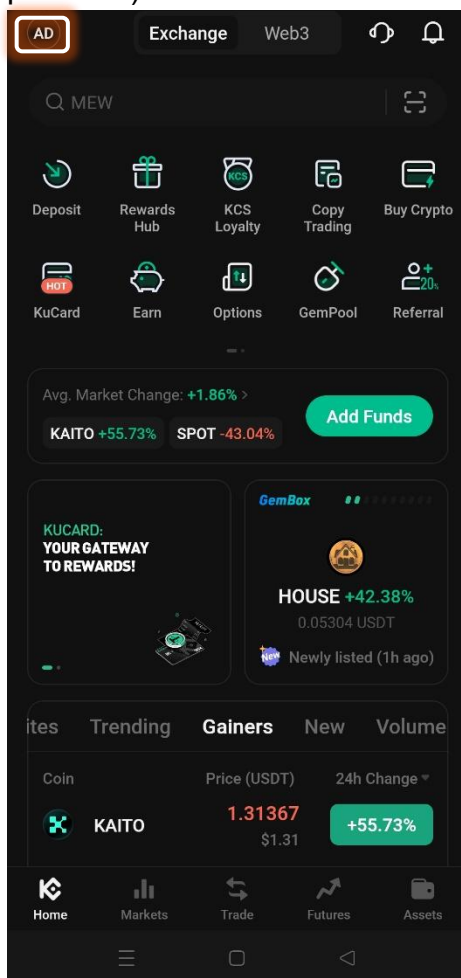

The next step is to confirm your identity. To do this, click the arrow marked above.

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You can choose basic verification (Level 1) or advanced (Level 2). Depending on the level of verification you choose, you will need to submit certain documents, such as an ID card, passport, or other documents confirming your identity. Once the verification is approved, you will be able to use the full capabilities of the exchange and thus buy your first cryptocurrencies. Usually, you buy USDT* or USDC. These are cryptocurrencies that, regardless of market fluctuations, maintain their value.

price stable cryptocurrency = **stablecoin**

Once you have successfully passed the identity verification, you will be able to proceed to purchase cryptocurrencies by clicking "Deposit / Buy Crypto". However, this is an option for those who already have a crypto wallet. If you do not have a crypto wallet yet, do not click this box.
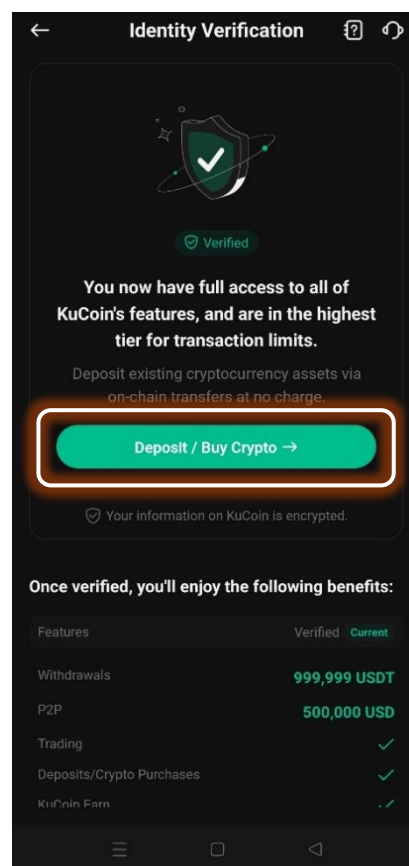
Below I will show you step by step how you can purchase your first cryptocurrencies if you don't have your own cryptocurrency wallet yet.

The EU is making changes to stablecoins, which could see USDT replaced entirely by USDC in the near future. Stay tuned for developments on this topic.

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1.2 Buying USDT/USDC on a cryptocurrency exchange

Open the KuCoin app.
To buy USDT or USDC,
go to the "Home" tab
and click "Buy Crypto".
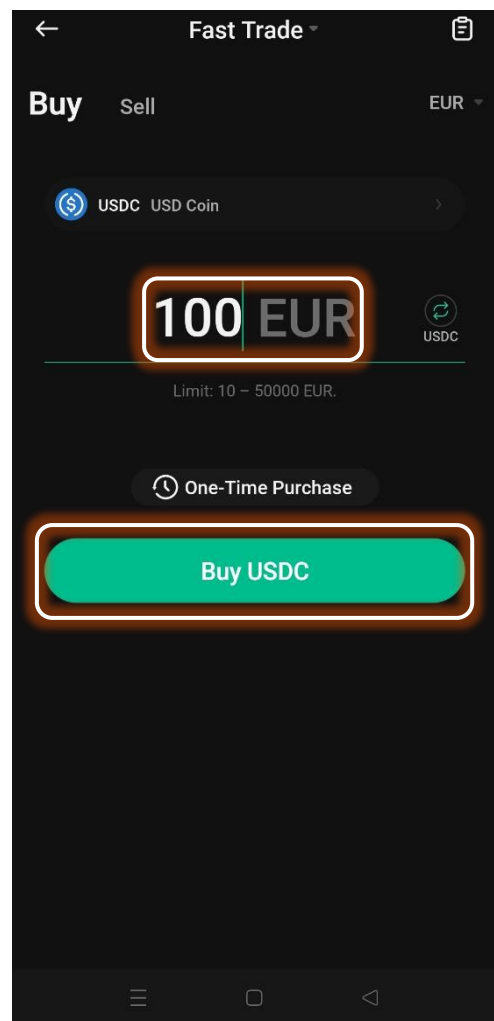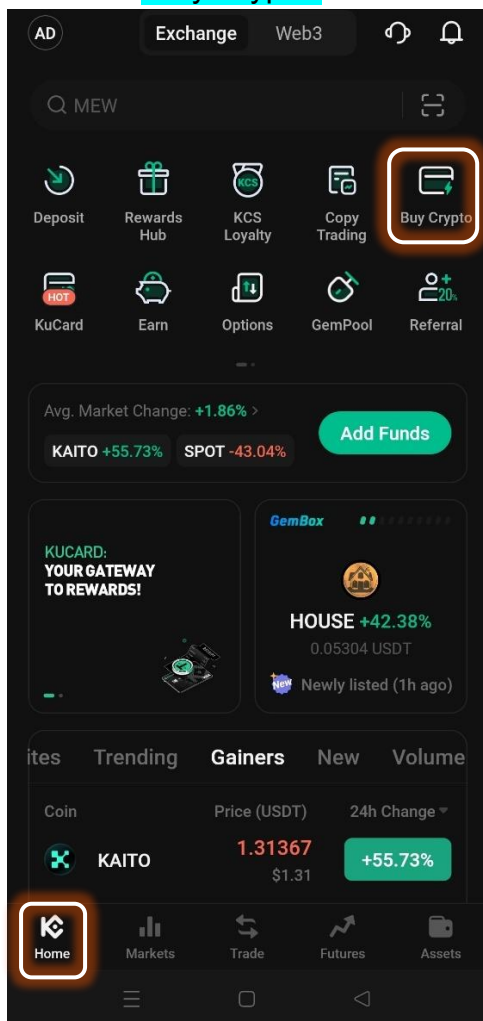
Enter the amount you want to buy
stablecoins for and click "Buy
USDC" (in the example, 100 EUR
is selected).

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Now select your payment method and click <mark>"Deposit"</mark>.

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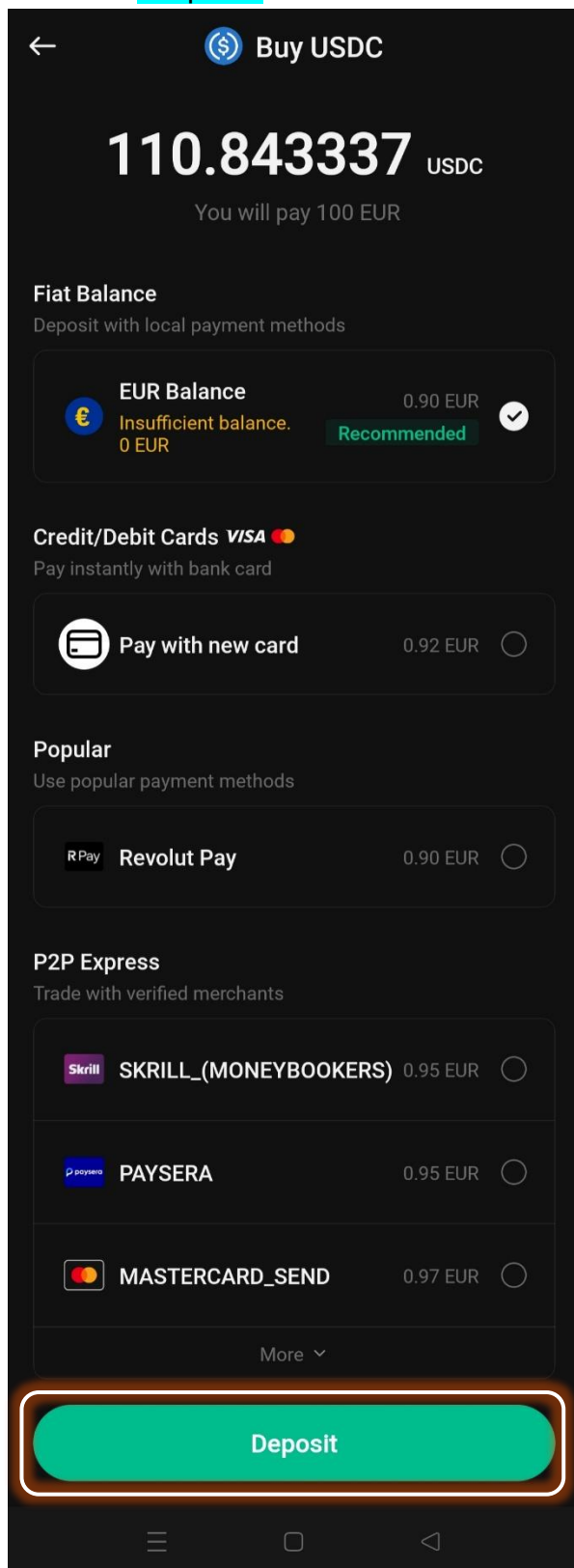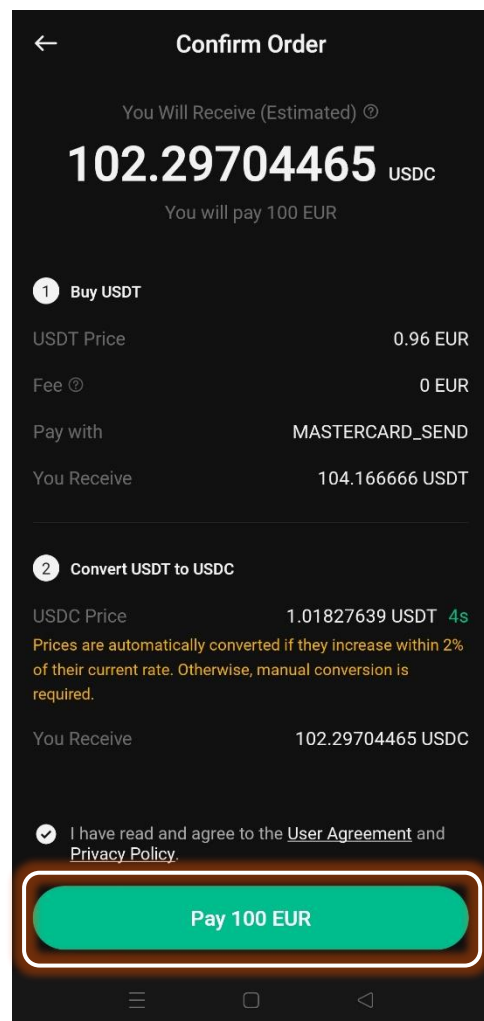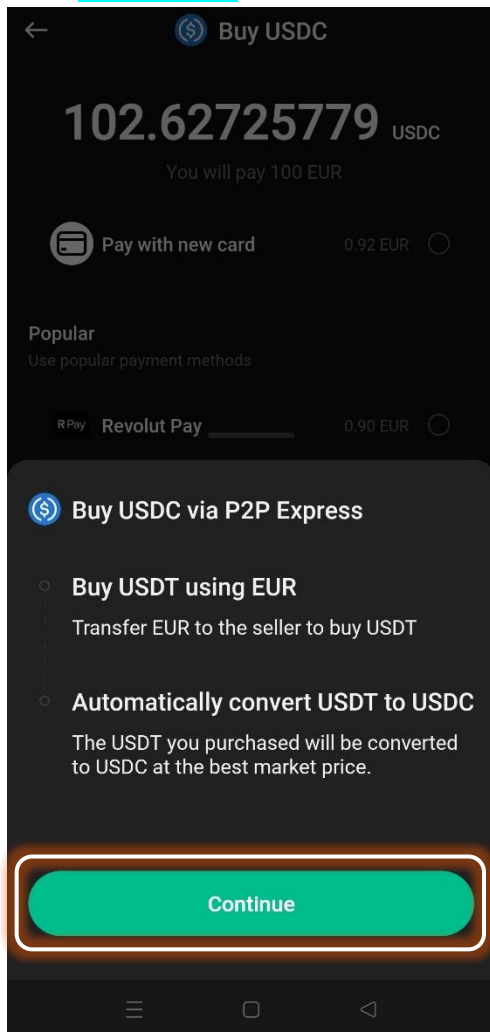Follow the information that appears. Confirm any payment method. Then click <mark>"Continue"</mark>.

Confirm your purchase. To do this, click <mark>"Pay 100 EUR"</mark>.

Then follow the information on the screen. Depending on the selected payment method, the payment itself will be made differently. I recommend choosing the SEPA method (transfer), it is definitely the easiest method. Personally, I think it is better not to provide your card details and CVV number (Pay with new card method), because they are not fully secure, regardless of whether on the exchange or in online stores. You will receive a confirmation of the cryptocurrency purchase. The funds will appear in the "Assets" tab (see chapter 1.3), it usually takes from a few minutes to one day, depending on the payment method (BLIK/transfer).

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1.3 Buying other cryptocurrencies with USDT/USDC on a cryptocurrency exchange

Check if the funds in the selected cryptocurrency have been transferred to your account and have appeared in the selected =="Assets"== tab. Then click =="Trading"==.
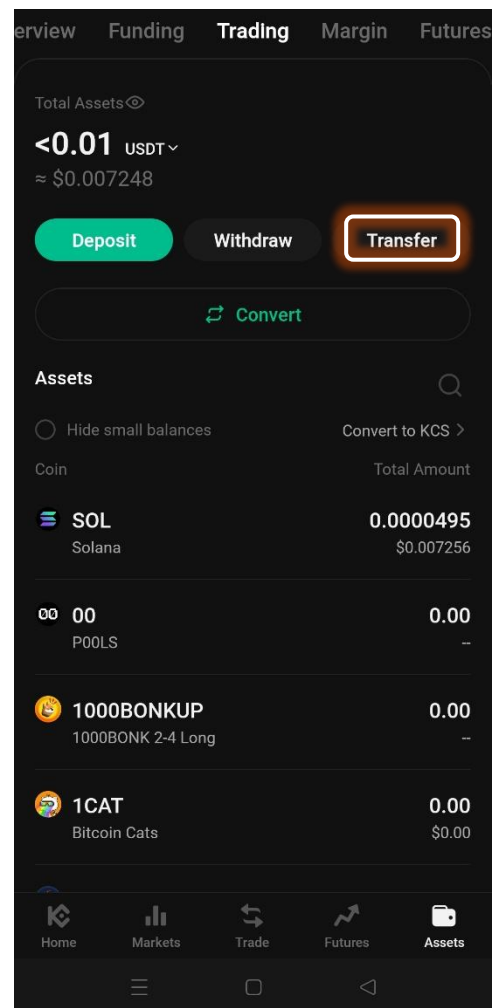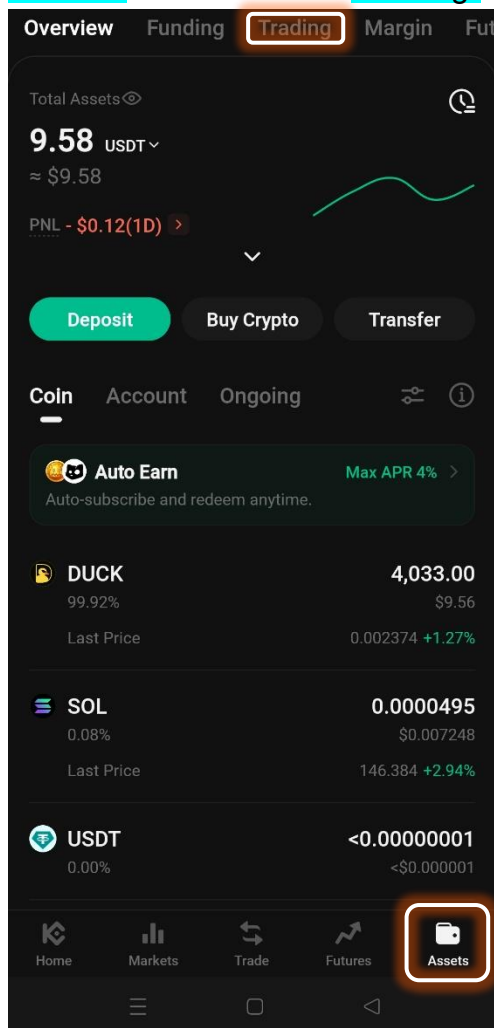
Click on =="Transfer"== and transfer funds from your wallet to your trade.

The exchange of cryptocurrency for another cryptocurrency is called **Swap**. Swap means exchanging one digital asset for another without the need for fiat currencies (FIAT), i.e.: PLN, EUR, USD, etc...

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Now swap ==**"Trading"**== with ==**"Funding"**==
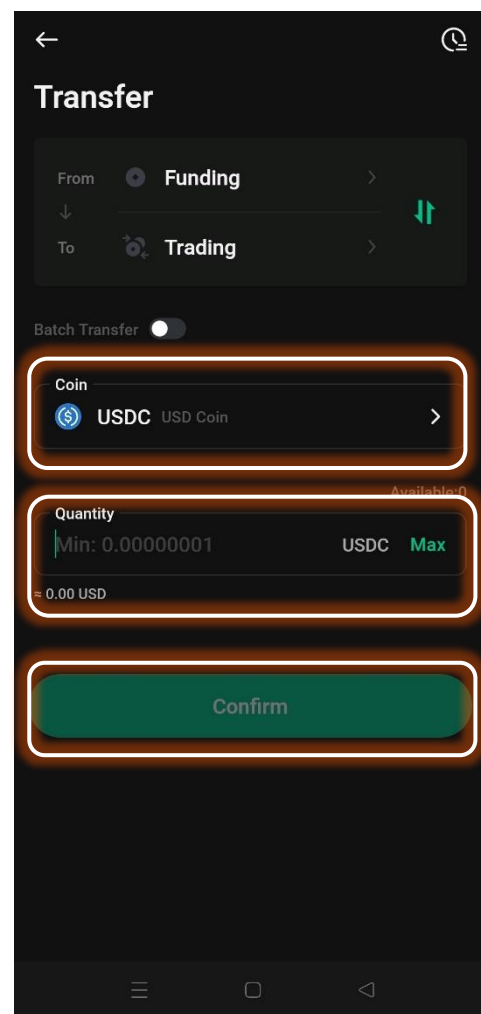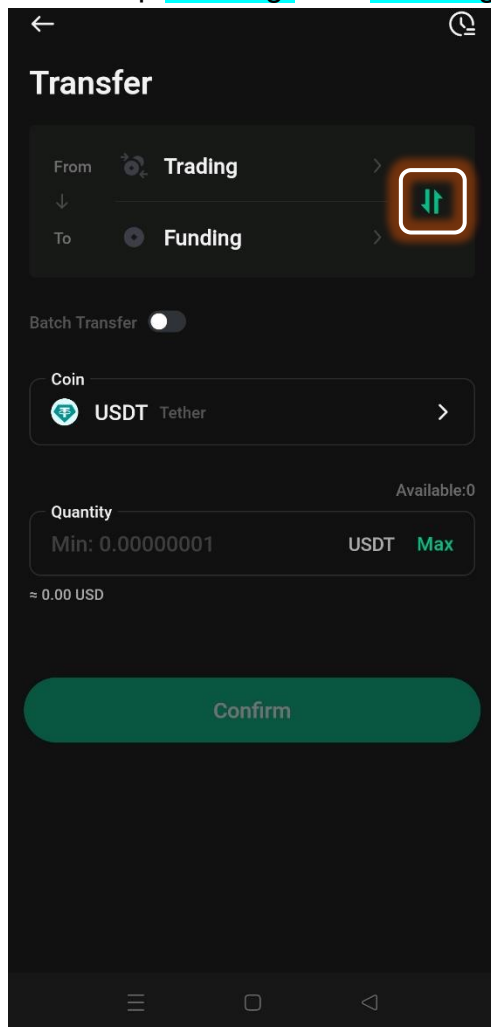
Select the cryptocurrency (stablecoin) you want to send to Trading, enter the amount you want to transfer or click ==**"Max"**== to transfer all funds. Click ==**"Confirm"**== to confirm the operation.

Security may be called here to confirm the operation. Depending on what security is set, it may be Microsoft Authenticator, PIN, fingerprint, etc.

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Go to "Assets" again
and check if funds have appeared
in the marked field. Finally, click
"Trade" at the bottom of the screen.
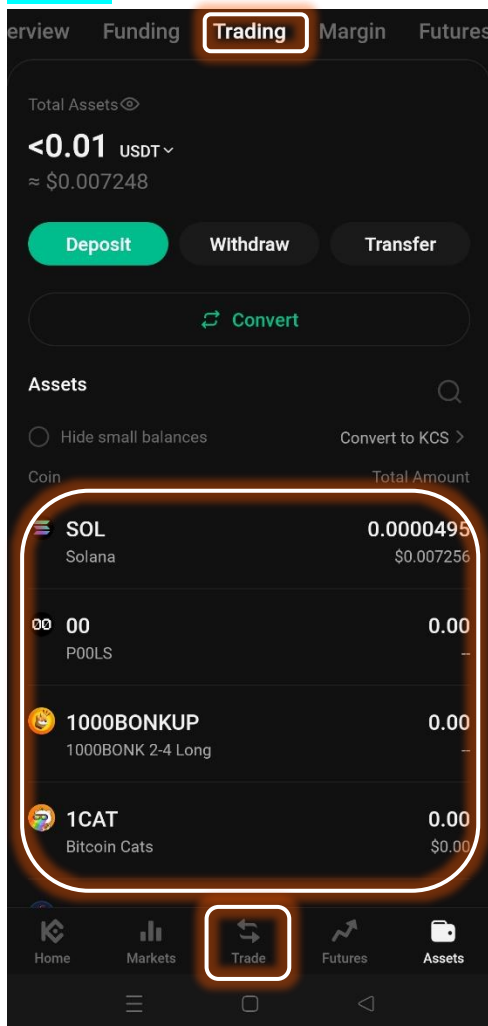
You can finally go to buy any
cryptocurrency available on the
KuCoin exchange. To do this, click
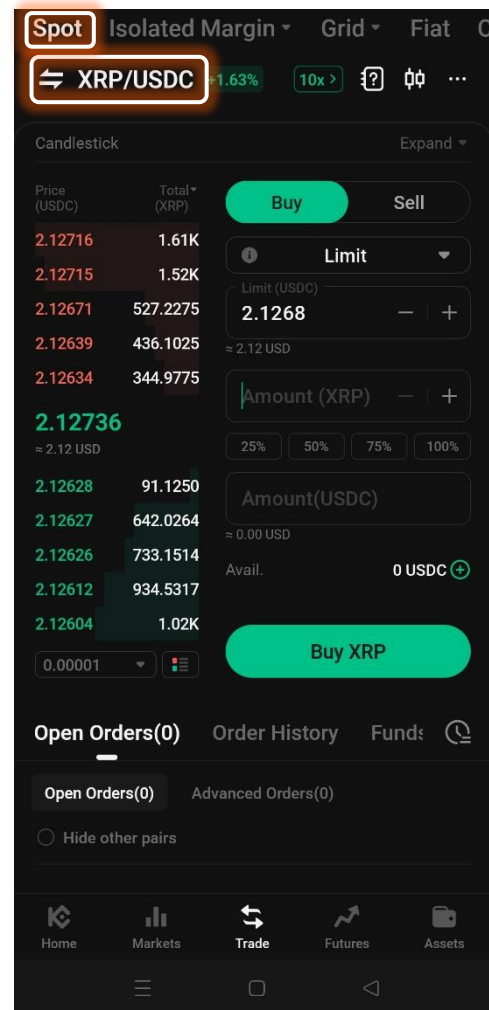on the currently selected pair in the
"Spot" tab (here "XRP/USDC" is
selected) and look for any currency.
The slash means that you can
exchange XRP for USDC and vice
versa, these are trading pairs.

If you don't know the symbol of the cryptocurrency you want to buy, first check it
in the CoinMarketCap application (the application covered in Chapter 9), which should
have all the available cryptocurrencies. If a cryptocurrency is not there, then there is a
high probability that it is a so-called SCAM (explanation of the term in Chapter 8).

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You can easily find a currency by entering it in the search engine at the top of the page.

Once you have selected your currency, change the setting from "Limit" to "Market" so that you do not set orders but just buy at the current market price.

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Click on the "Limit" field, a selection window will open. Select "Market".
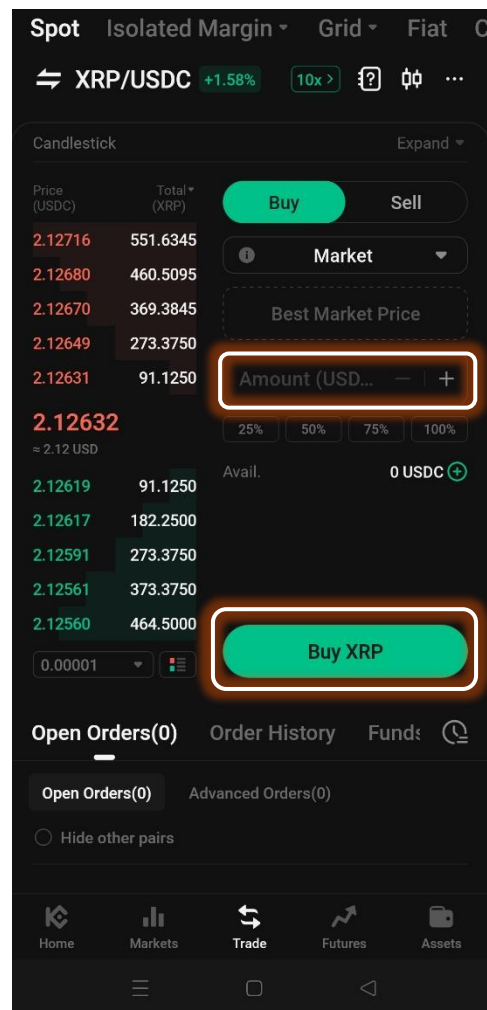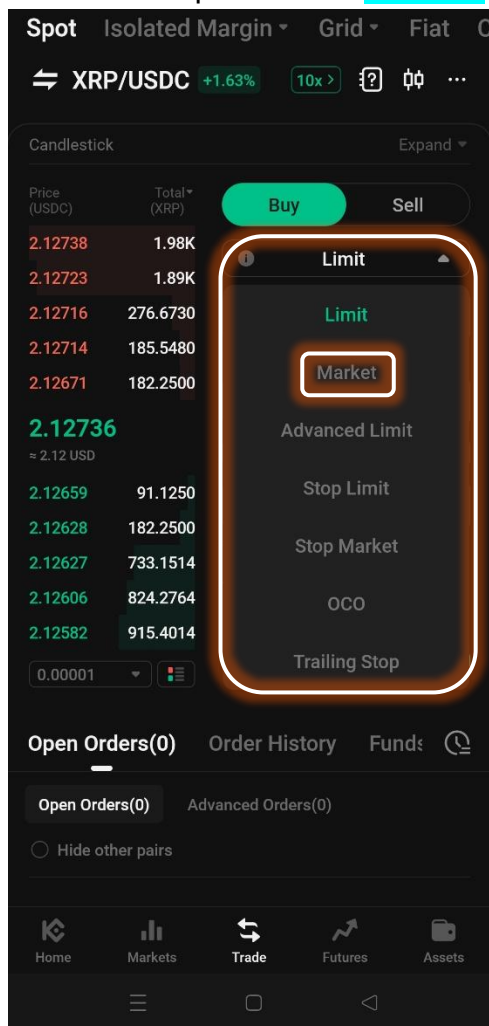
Finally, enter the amount for which you want to buy the selected cryptocurrency and click "Buy XRP" (for another cryptocurrency, "XRP" will be replaced by the symbol of the selected cryptocurrency).

Again, security may be called here to confirm the operation. Depending on what security is set, it may be Microsoft Authenticator, PIN, fingerprint, etc.
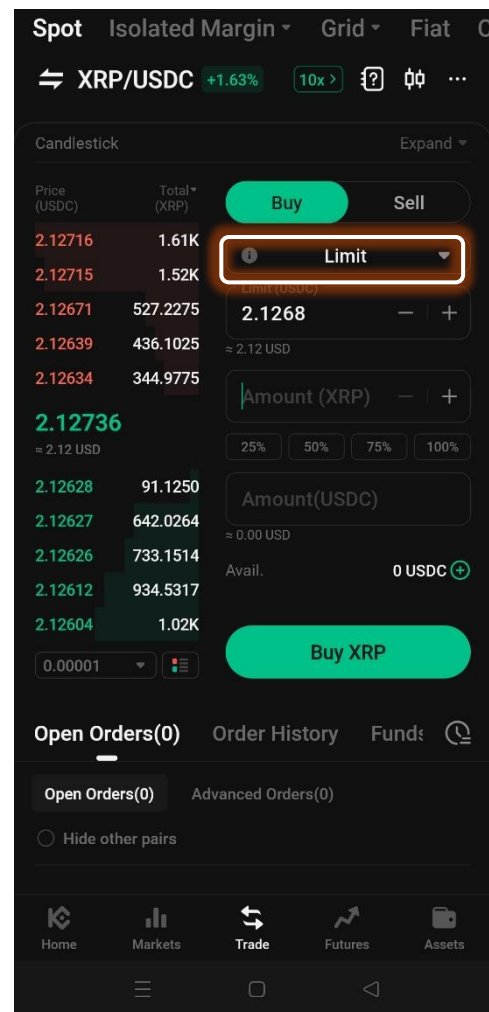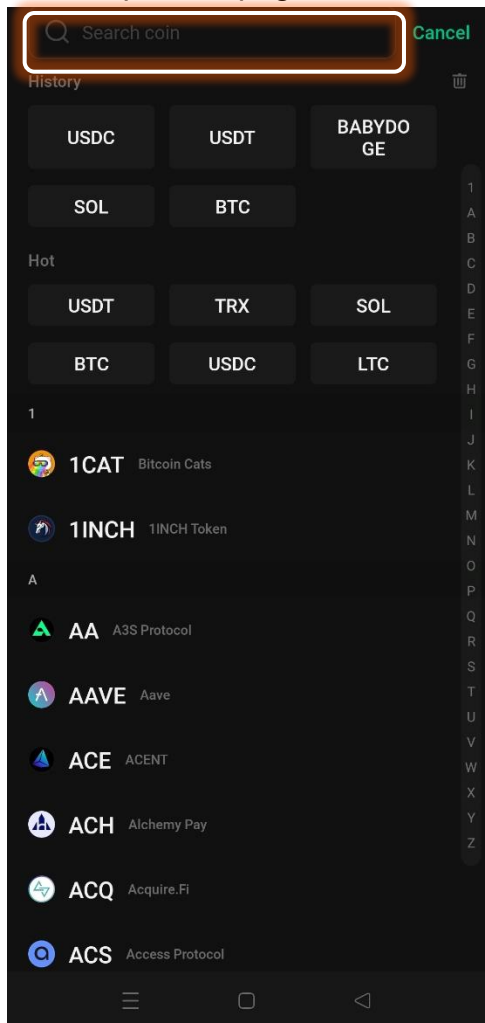
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Purchased tokens will appear in the =="Assets"== tab, =="Trading"== window.
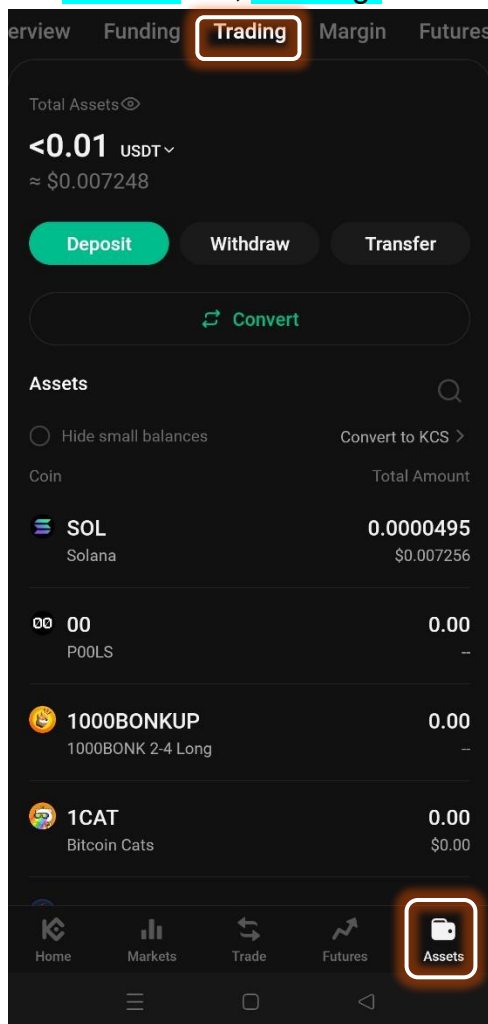
Here we have completed the process of purchasing the first cryptocurrency tokens.

A **token** is another term for a cryptocurrency (digital asset) that is built on a blockchain network.

Tokens held on Trading are practically on the stock exchange, in the event of a stock market crash you can lose all your funds. For a long-term investor, such a solution is not safe.

If you do not want to keep your funds on the exchange, but transfer them to a crypto wallet, you need to transfer the purchased tokens from =="Trading"== to =="Funding"==. I write about this in the next chapter.

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1.4 Cryptocurrency withdrawal to an external cryptocurrency wallet

Follow point 1.3 until you reach the "Trading" → „Funding" switch.

W Select the token you want to transfer, its quantity and confirm the operation by clicking "Confirm".
If necessary, confirm the operation with your PIN or other selected security.
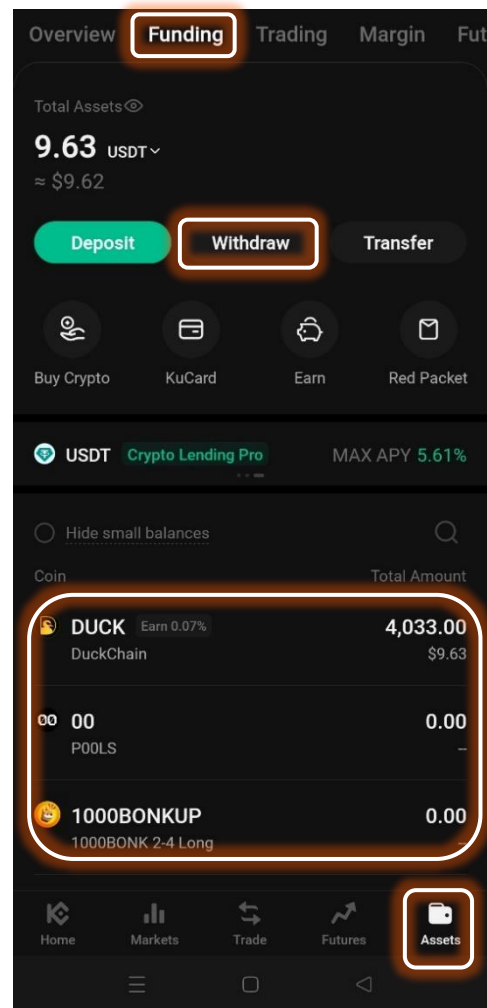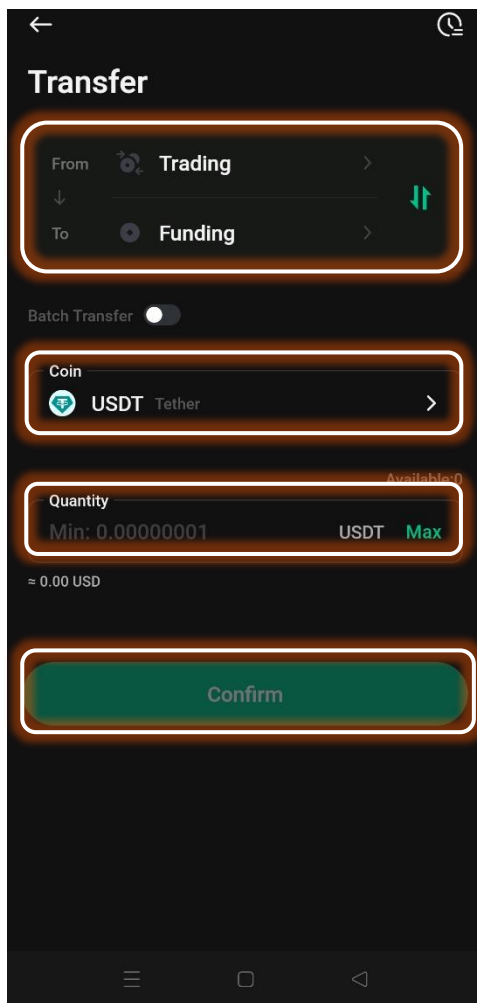
In the "Assets" tab, "Funding" window, the transferred tokens will appear. Click "Withdraw" to withdraw the tokens.

Transferring tokens to a cryptocurrency wallet via "Withdraw" means withdrawing from the exchange.

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It is important that you select "Crypto".
Then select the cryptocurrency (from
the boxed area) that you wish to
withdraw to your cryptocurrency wallet.
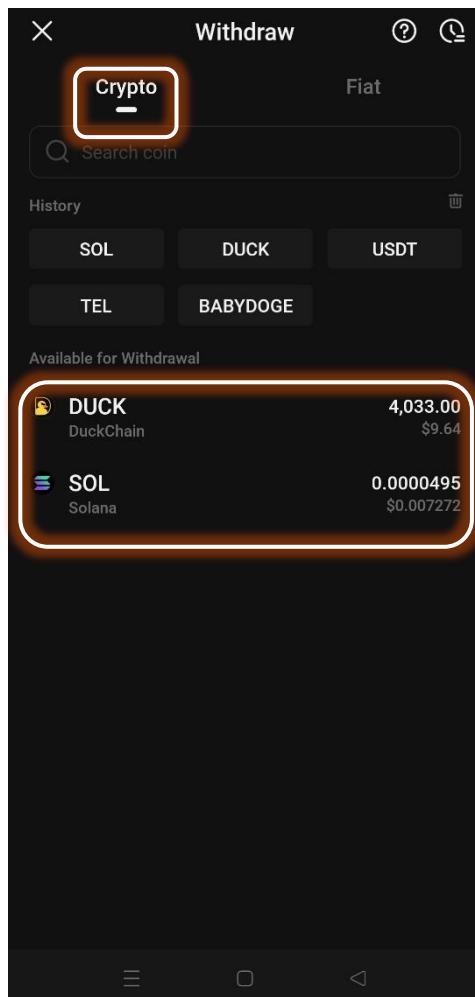
     Cryptocurrency withdrawal must be specified. You can withdraw cryptocurrencies to FIAT currencies, you can withdraw inside the exchange (Trading on Funding), and also outside the exchange to a cryptocurrency wallet (On-Chain).

On-Chain means transferring tokens directly from one wallet to another on the blockchain. This is a transaction visible to all network participants and does not require a third party.

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Check if "On-Chain" is selected.
Paste your cryptocurrency wallet address "Paste".
(chapter 3.1, page 27)
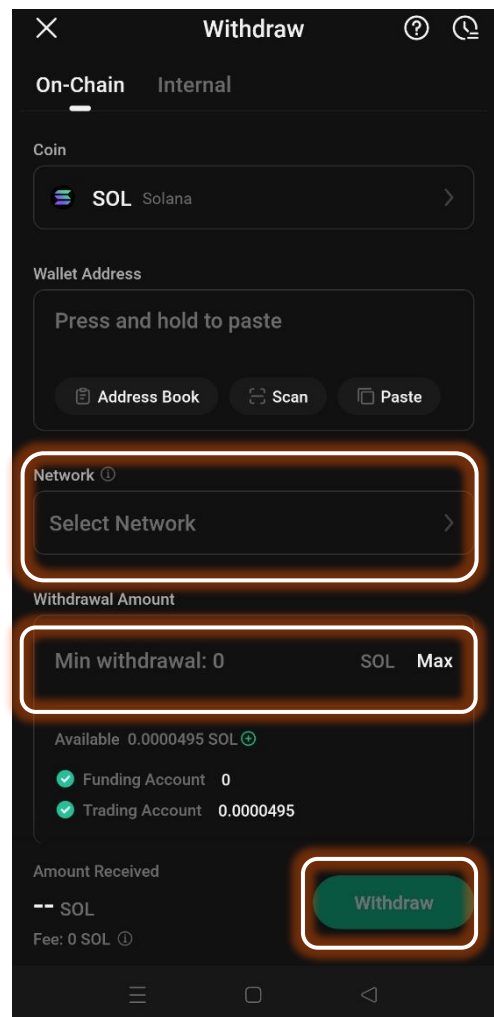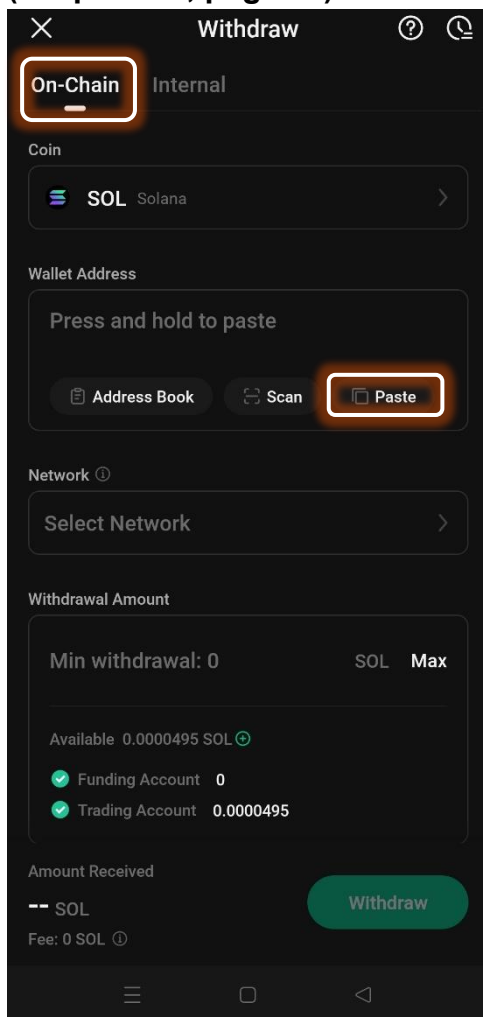
Select the network* and enter the amount of
tokens you want to withdraw.
Then click "Withdraw".

When we talk about a "network" in the context of cryptocurrencies, we're talking about the system that supports a given digital currency. Each cryptocurrency (e.g. Bitcoin, Ethereum, Solana) runs on its own network – like its own train track.

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Examples:
*• **Solana (SOL)** runs on its **Solana network**,*
*• **Ethereum (ETH)** runs on the **Ethereum network**,*
*• **BNB** can run on either the **BNB Chain (BSC)** or **Ethereum network** (there are different versions of the same token).*

To check which network the cryptocurrency you want to buy is on, just check the currency information in the CoinMarketCap or CoinGecko application (or on the website www.coinmarketcap.com or www.coingecko.com). In the "Contracts" section at the bottom of the page there will be Mint/Contract addresses of the token being checked. By copying this address and pasting it into the appropriate explorer we will learn everything about the cryptocurrency.
For example:
- Ethereum: https://etherscan.io
- BNB Chain: https://bscscan.com
- Tron: https://tronscan.org
- Solana: https://solscan.io

Tokens purchased on an exchange and sent to a cryptocurrency wallet (e.g. Trust Wallet) can be checked much more easily. Just click on the token and check the information about it. Often, just clicking on the token will cause the name of the network it is on to appear under its name.

Why do you need to stream Solana on the Solana network?
When you send cryptocurrencies, you need to choose the right network, meaning the one that matches the currency. If you're sending Solana (SOL), you need to choose the Solana network. Other networks don't support Solana tokens – it's like trying to send a train from a railroad track to a highway – it won't work. If you send SOL through the wrong network, like Ethereum or BNB Chain – you could lose your funds – especially if your wallet or exchange doesn't support such a transfer.

How to protect yourself against loss of funds?
1. Always check what network is supported by the wallet/recipient.
2. For Solana, only use Solana networks etc.
3. If you are not sure - it is better to ask/do some research or do a small test transaction.

It is important to make sure what network a given token is on, this is very important. Selecting the wrong network may result in losing tokens!

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For some tokens, there is only 1
network available. It is important that
the wallet address is for the same
network you select here.
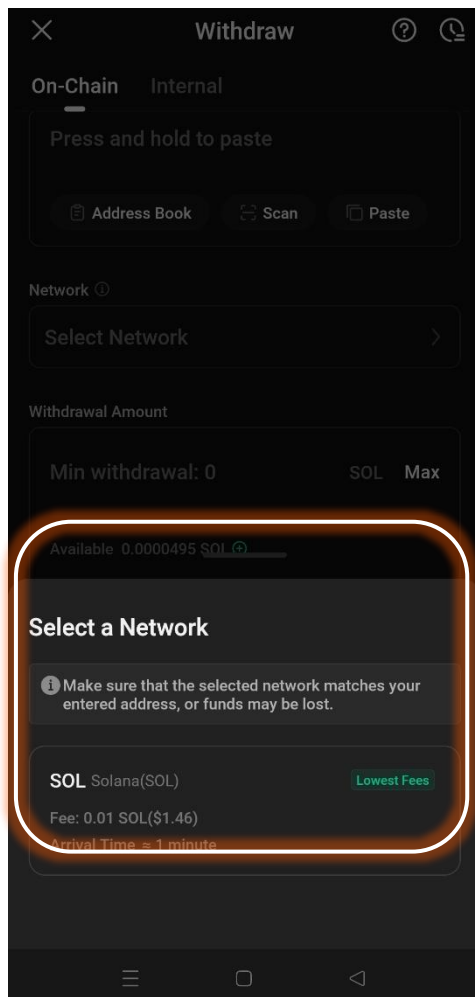
Again, security can be called here to confirm the operation. Depending on what security is set, it can be Microsoft Authenticator, PIN, fingerprint, etc.

The withdrawal process is now complete. The tokens will appear in your crypto wallet within a few minutes.

Above I described a more complicated way to buy cryptocurrencies, but it allows us to choose from a much wider variety of tokens. We are not limited by the preference of the service provider, as in the case of the next way to buy cryptocurrencies, which I will describe below, and which has its advantages.

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2. How to buy cryptocurrencies? METHOD TWO

The first step is to set up a bank account in the Revolut app. You can download the app to your phone from the Play Store. This method is much more convenient than the one described in Chapter 1, but it offers a choice of tokens from a strictly limited pool of the service provider (in this case, the Revolut platform).

In this application, you don't have to worry about choosing a network for tokens. Everything is automated to facilitate the purchase of cryptocurrencies and secured against errors resulting from the wrong choice of network. Only when withdrawing cryptocurrencies to an external cryptocurrency wallet should you remember to properly select the network in the wallet to which the tokens are to be transferred.

2.1 Open a bank account in the Revolut app

You need to go through the verification process of setting up a Revolut bank account. This is a normal account, an account in the currency of your choice (USD, EUR, PLN, etc.), to which you will be able to deposit money. You will be able to buy cryptocurrencies directly from this account. This will be shown step by step.

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Main Menu View. Click <mark>"More"</mark> and you will see a drop-down menu. Click <mark>"Details"</mark>.
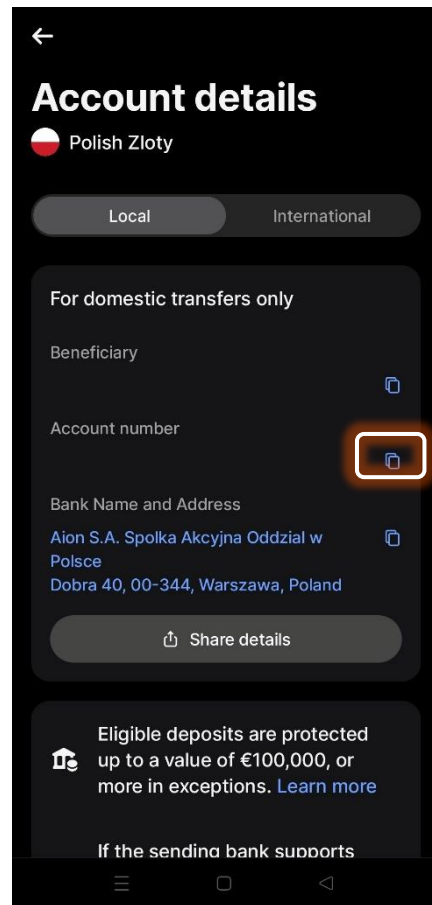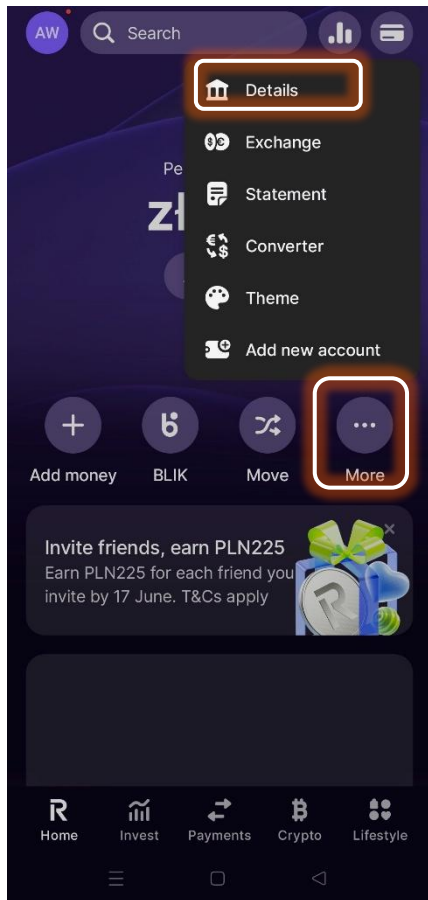
From here you can copy your Revolut account number and make a normal bank transfer to top it up.

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Click on "Crypto", you will be
transferred to the option to buy
cryptocurrencies. In the "Search"
window, search for the cryptocurrencies
you are interested in. Here you can enter
the symbol or the entire name
of the crypto asset.
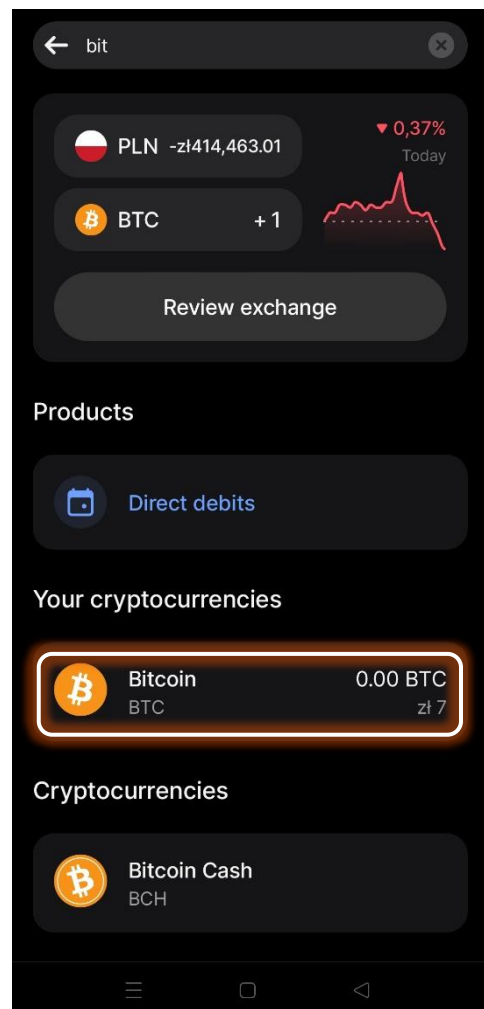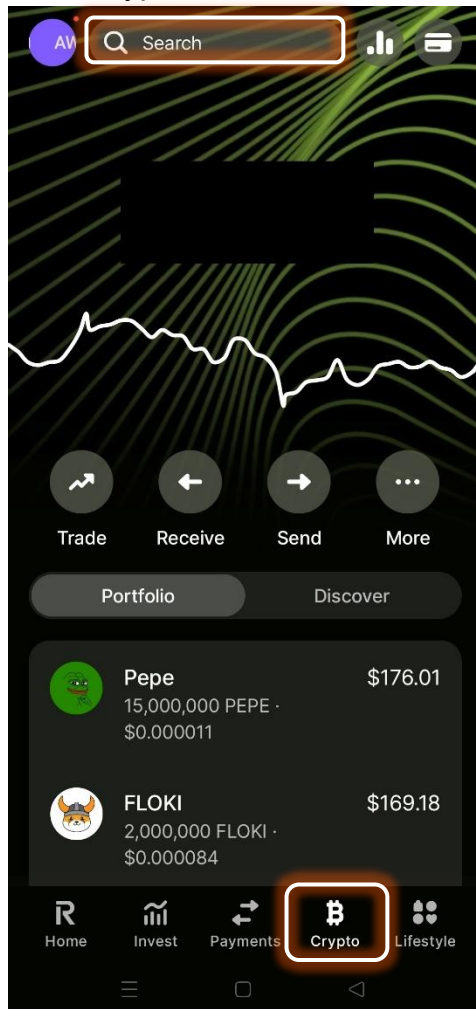
Then click on the asset you want
to buy – here Bitcoin (BTC).

Another window will appear where you need to enter the amount you want to
buy. You can also choose how you want to pay. You can buy cryptocurrency for fiat
currency (e.g. PLN) or exchange one cryptocurrency for another. Just click where your
funds are visible, and then select the cryptocurrency instead of your bank account.
Then click "Verify order".

For security reasons, it is not possible to screenshot this screen.

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This way you can buy
crypto assets for FIAT currency.
Click "Confirm order" when
you are determined to buy the selected
cryptocurrency.
The purchase has just been made.
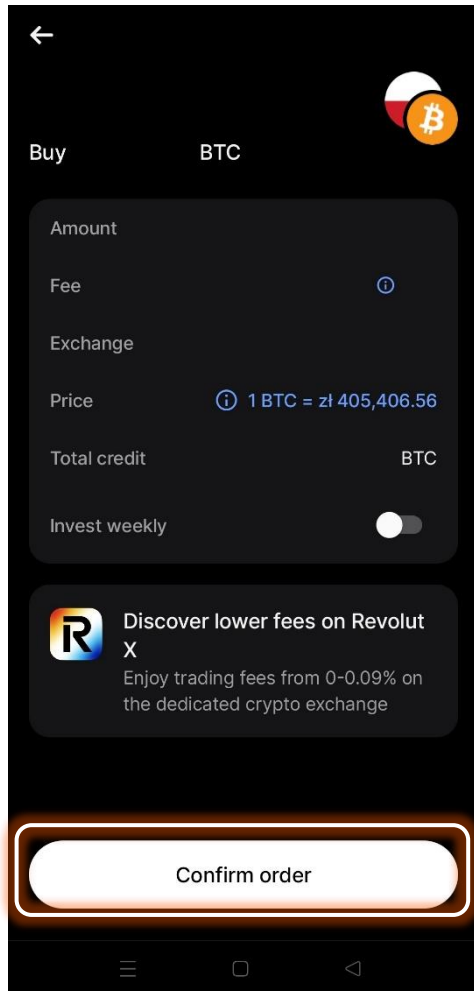
As I mentioned, you can also directly exchange one cryptocurrency for another (SWAP). Search again for the crypto asset you want to buy. Once you decide to buy, click "Buy". In the next window, select which cryptocurrency and in what quantity you want to buy.

The last window will appear. Here the Floki to Bitcoin exchange is shown. Then click "Confirm order". A SWAP (exchange of one cryptocurrency for another) has just been made.

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This is how you easily acquired your first cryptocurrencies. Revolut is definitely a simpler way to buy cryptocurrencies than any exchange. You can also get a REVOLUT bank card and use it like a normal payment card. Revolut works differently than a classic savings account, because it is a financial application (fintech). However, you can use this account in the same way as an account opened in any other bank. I myself started with this method of buying cryptocurrencies, because there is no easier way (in my opinion).

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3. Setting up a cryptocurrency wallet using the example of Trust Wallet (hot wallet – a wallet permanently connected to the Internet)

You need to download the Trust Wallet app (Trust: Crypto & Bitcoin Wallet) from the Play Store. When you first launch the Trust Wallet app, a so-called secret phrase will be automatically generated. These are words assigned to numbers (usually 1 to 12 words in the right order generated automatically when you first open the Trust Wallet app). Save your secret phrase in an analog way. I do not recommend taking screenshots and saving the secret phrase in a digital way. If you lose your phone, but have the secret phrase saved somewhere else, you will easily regain access to your cryptocurrency wallet. However, everyone must choose their own way to save it.

Once the secret phrase is generated, the crypto wallet will be created automatically. All of your wallet addresses (all networks) will be generated automatically.

NEVER SHARE YOUR SECRET PHRASE WITH ANYONE!!!

Trust Wallet does not have a single universal cryptocurrency address – it has multiple addresses, depending on the type of cryptocurrency and the network (blockchain) on which that cryptocurrency operates, e.g.:
- **Bitcoin (BTC)** – works on the network Bitcoin,
- **Ethereum (ETH)** – works on the network Ethereum (ERC-20),
- **BNB (BSC)** – works on the network Binance Smart Chain (BEP-20),
- **Solana (SOL)** – works on the network Solana,
- **Polygon (MATIC)** – works on the network Polygon.

Each of these networks requires a separate wallet address.

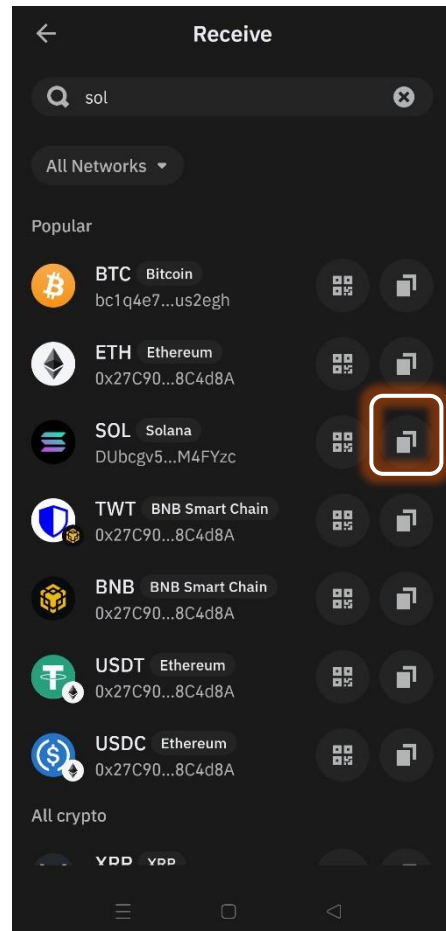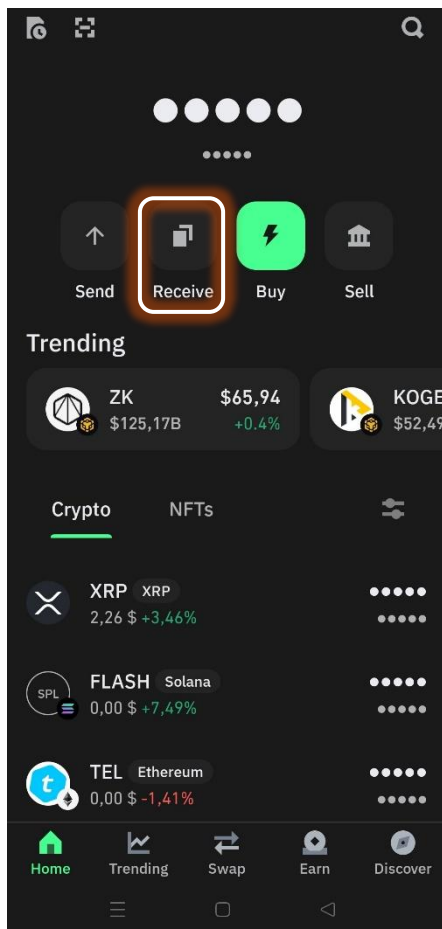**That's why in Trust Wallet you have:**
- separate address for ETH (ERC-20),
- separate address for BNB (BEP-20),
- separate address for BTC,
- separate address for SOL,
- etc.

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3.1 Sending cryptocurrencies to Trust Wallet

We open the Trust Wallet application.
We select "Receive" to receive
cryptocurrency, e.g. Solana.

Copy the wallet address for Solana
by clicking the highlighted icon.

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OWe open the exchange application (e.g.: KuCoin). Follow the steps in chapter 1.4 until you reach the step of pasting the wallet address. Paste the wallet address by clicking "Paste"
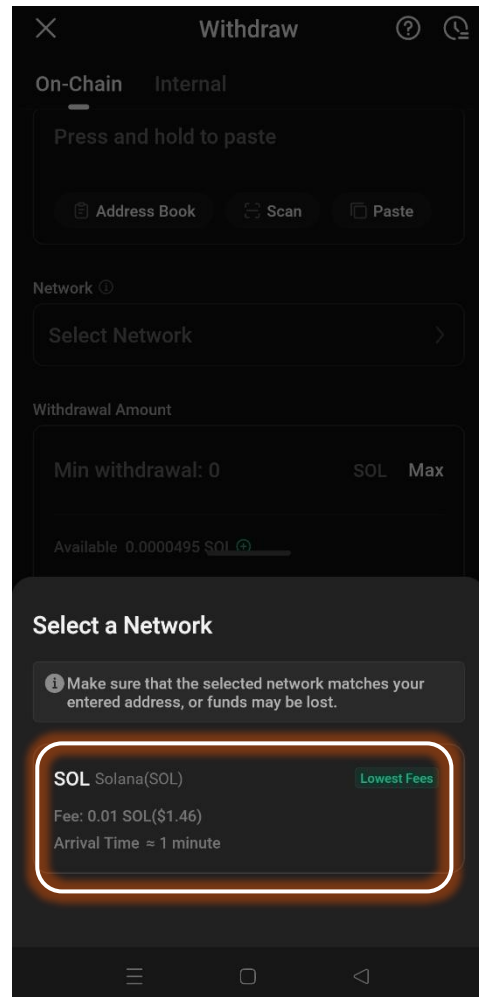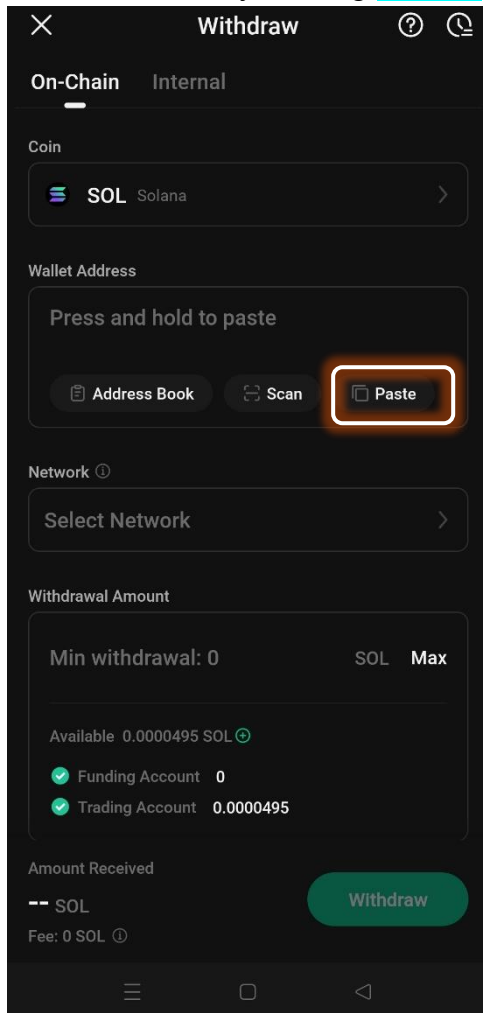
For some tokens, only 1 network is available. It is important that the wallet address is for the same network that we select here. Follow the instructions that appear and confirm the operations as described in this manual on page 17.

If you are not an experienced investor, I suggest that you start by transferring a small amount that will not cause a financial disaster if lost. It is worth practicing this on small amounts and being sure that the funds will not be irretrievably lost during the transfer (e.g.: sending tokens to another network will result in a permanent loss of funds).

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4. Alternative offline wallets (cold wallet)

A cold cryptocurrency wallet is a device used to store cryptocurrencies, which by definition does not have an internet connection, only for the time of transferring funds, e.g. from Trust Wallet to LEDGER or TREZOR. Anyone can get such a device by buying it online from the manufacturer. If you want to invest in the long term, have quite large funds and rarely make transactions, then having such a wallet is highly recommended.

Advantages of Cold Wallet:

1. Maximum security
   - Cold wallet is not connected to the Internet, so hackers have no way to access it.
   - It is not vulnerable to phishing attacks, malware or keyloggers.
2. Full control over private keys
   - Only you have access to the private key, or "master password" for your cryptocurrencies.
   - You don't have to trust the stock exchange or the app – you are your own bank.
3. Perfect for long-term storage (HODL)
   - Cold Wallet is a great solution for investors who do not trade daily.
   - You keep cryptocurrencies in a "safe" – and do not touch them for months or years.
4. No risk of stock market collapse
   - If the exchange goes bankrupt or is hacked – your funds are safe because they were not stored there.
5. You can store multiple cryptocurrencies
   - Good devices (e.g. Ledger, Trezor) support hundreds of different tokens.

5. Monetization of cryptocurrencies, i.e. exchange for FIAT currency (fiat money), i.e.: PLN, EUR, USD, etc.

One way to convert cryptocurrencies to fiat money is through an exchange (e.g. KuCoin) or e.g. cashify.eu, a digital cryptocurrency exchange. For tax purposes, exchange operations must be recorded in order to later properly settle them with the local tax office.

Tax issues will not be discussed here, however. Tax law on cryptocurrencies is changing rapidly and currently only the exchange of cryptocurrencies for fiat money is subject to taxation.

5.1 Example of selling cryptocurrency for fiat money (EUR)

Open the KuCoin app.
Select "Assets".
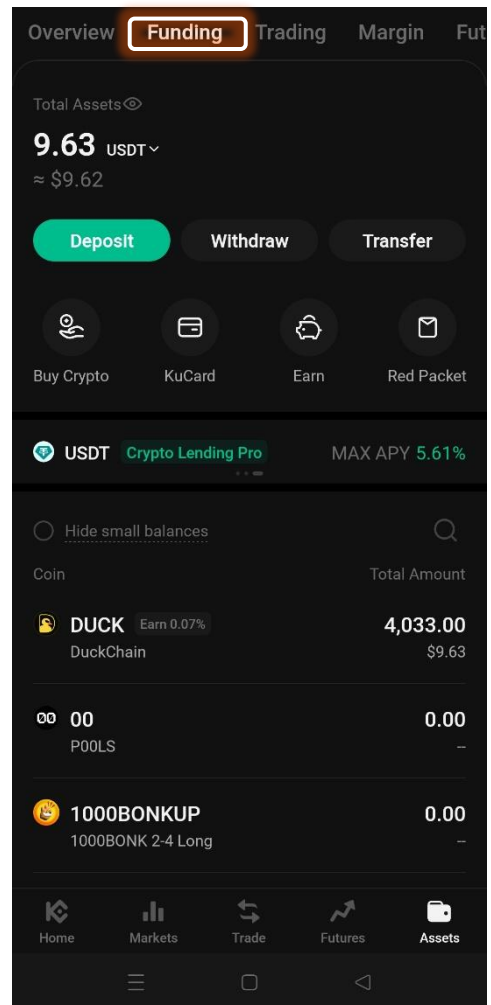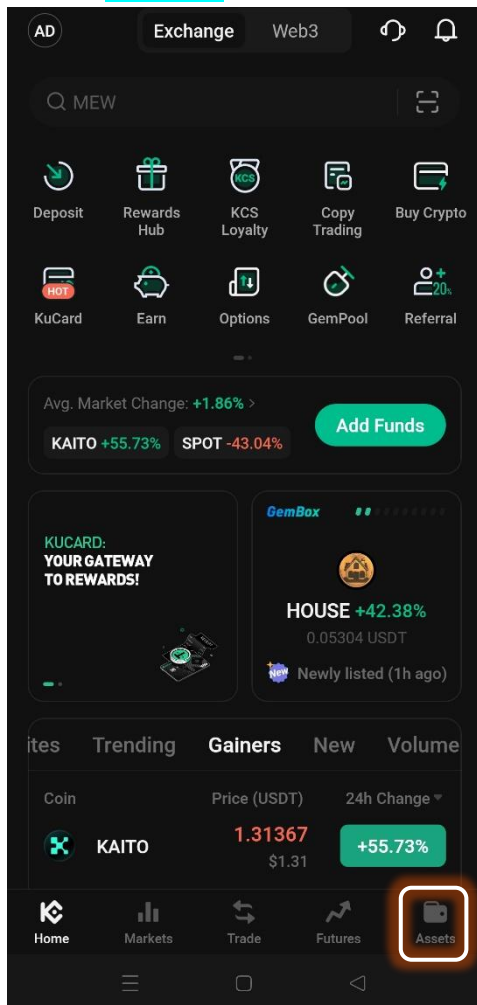
Select "Funding" because this is the only way to withdraw cryptocurrencies to FIAT. (If you still have funds in "Trading", please refer to section 1.4 on page 15 and the description of transferring to "Funding").

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Select "Withdraw" option,
then "Fiat"*
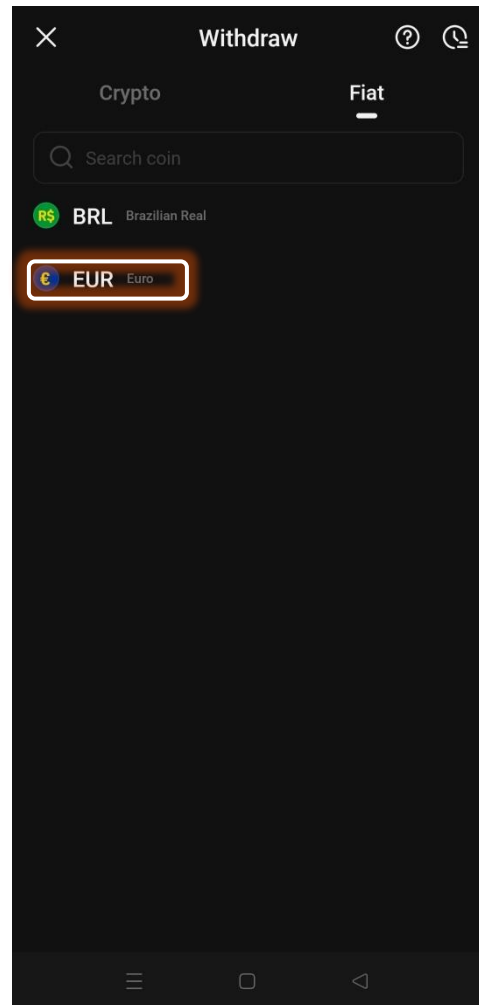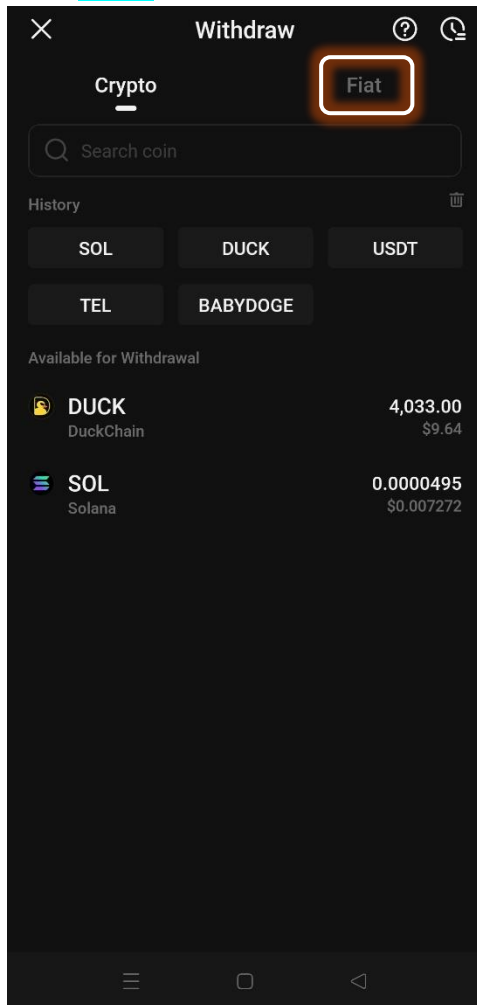
Select "EUR" as this currency is easier to use in the EU. (Choose the best currency for your own country).

*FIAT currency is a traditional, government currency whose value is not based on any physical resource, such as gold or silver, but rather on trust in the government and economic system of a given country, e.g.: USD, EUR, PLN, etc.

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Select „Bank Transfer (SEPA)".
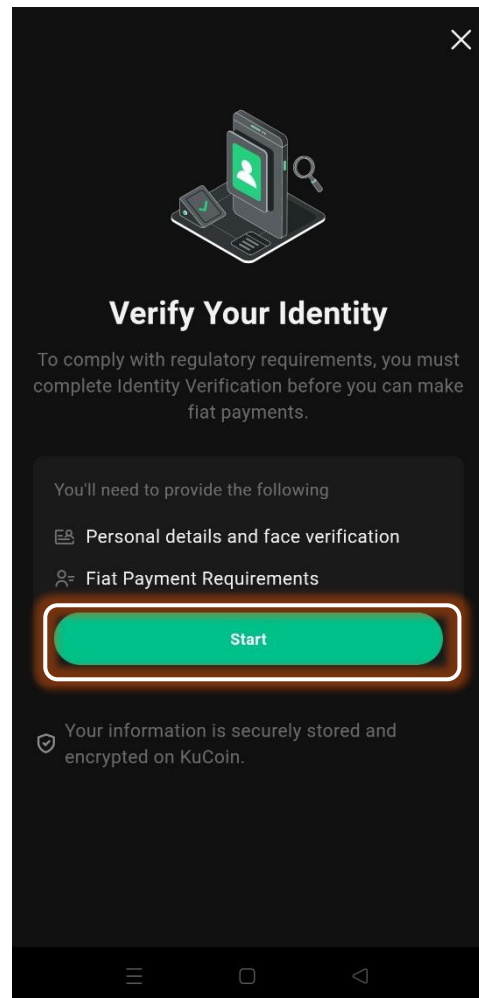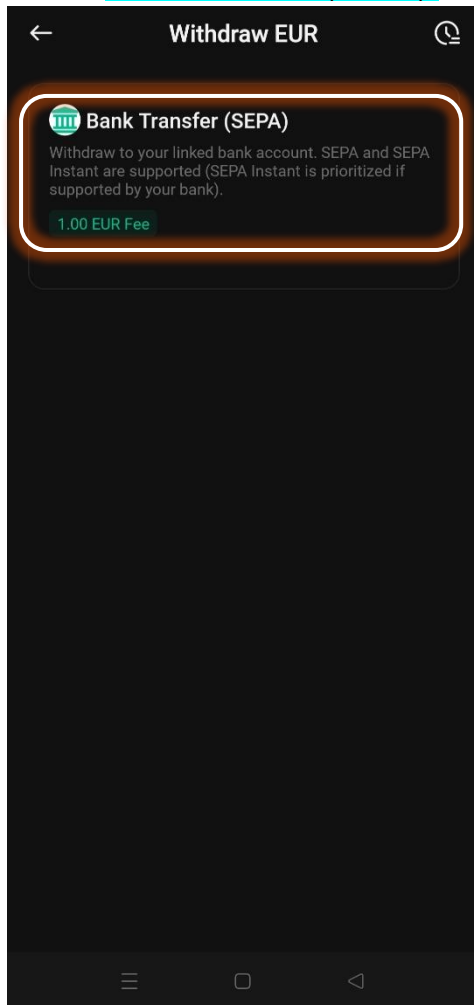
Select "Start" to begin the identity verification process.

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Select your country
and verification method.

This can be an ID card or passport.
Then click "Next" and follow the instructions
until the bank transfer is completed.

It is recommended that during the first such operation, transfer small funds to check that everything went well and that we are not at risk of losing funds. Security is a priority in such operations.

The funds will appear in the bank account we have indicated. Depending on the bank, the transfer process can take from 1 to 3 days, although this depends on many factors, such as: network load or verification of funds by the exchange and bank.

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6. Tax disclaimer

The information contained in this material does not constitute tax advice or an interpretation of tax law. The author is not responsible for any tax consequences resulting from investment activities, including trading or holding cryptocurrencies.

Each investor is obliged to independently determine and settle their tax obligations in accordance with applicable law, in particular personal or legal income tax.

If in doubt, it is recommended to seek the assistance of a licensed tax advisor or a lawyer specializing in tax law.

7. Distribution of this guide

Distributing this guide in **paper** and **digital** form is encouraged and recommended. If you have already purchased this guide and are satisfied with its content, feel free to pass it on to your family and friends in paper form.

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Useful TIPS

1. Never share your cryptocurrency wallet secret phrase with anyone.
2. If someone offers you an "Airdrop" and proposes to connect your cryptocurrency wallet to some site, a link of unknown origin in exchange for promised free cryptocurrencies, then in 99.9% it will be a so-called SCAM that will empty your wallet to zero. I do not recommend such interactions.
3. Don't act rashly or on impulse. Think carefully about every decision you make. The market is not a place for emotional actions. Here, cool calculation counts.
4. Before buying any cryptocurrency, assess the risk and never invest more than you can afford to lose. The cryptocurrency market involves a high risk of losing almost all of your capital. If you are not ready for this, simply do not do it.
5. Tax matters related to cryptocurrencies should be settled on an ongoing basis. If you do not know how to do this, type in Google: "How to settle income from cryptocurrencies" and AI or one of the first search results will describe in great detail how to do it. Personally, however, I recommend contacting a specialized tax office that settles income obtained from cryptocurrencies.
6. DEX exchanges offer a huge variety of alternative currencies, but 99% of them are SCAMs and liquidity extraction (another name for scamming investors). After buying such a cryptocurrency, after a few minutes or hours it drops to practically zero and our funds are irretrievably lost. This 1% are diamonds, in which even $10 invested can bring incredible profits (depending on the market capitalization of the entry and exit).
7. How to make money on crypto?
   10$ invested at a market capitalization of 1K$
   - will make us 10,000$ at a market capitalization of 1M$,
   - will make us 10,000,000$ at a market capitalization of 1B$,

   (token value = market capitalization / number of tokens in circulation)

   Simple in theory, but not easy to achieve.
8. Investing for the long term will definitely give better results than short term thinking. Playing on leverage involves huge risk and I do not recommend it to new investors.
9. If you invest $100 in a project and it turns out to be a total SCAM (Rug Pull, i.e. a fake project aimed at stealing funds), you will lose at most $100, i.e. the purchase amount of the asset. You are not liable with your entire wealth, only the amount invested. So invest with caution.
10. If you are not sure about a given asset and suspect that it is a scam or another so-called Shitcoin, then give up. It is better to invest in certain projects that represent real value.

8. Useful Apps for Beginners

Microsoft Authenticator
Microsoft Corporation

Application for authorizing operations.

Trust: Crypto & Bitcoin Wallet
DApps Platform, Inc.

Universal cryptocurrency wallet.

Phantom
Phantom Technologies, Inc.

Universal cryptocurrency wallet.

Revolut - aplikacja finansowa
Revolut Ltd

Finance application.

KuCoin: Kup Bitcoina i Krypto
KuCoin

Cryptocurrency exchange.

Binance: Kup Bitcoin & Crypto
Binance Inc.

Cryptocurrency exchange.

CoinMarketCap: Kryptowalut
CoinMarketCap.com

Cryptocurrency price monitoring app.

DEX Screener
DEX Screener

Decentralized cryptocurrency exchange.

LBank - Buy Bitcoin & Crypto
LBank

Cryptocurrency exchange.

XRPH Wallet
XRPH

Dedicated cryptocurrency wallet (XRP network only).